

Date: November 6, 2012
To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Jerry F. Morrone, Engineering Supervisor, Water Management
Subject: Falls Lake Watershed Protection - Southview Land Purchase

Executive Summary

There are several sensitive stream areas within the Falls Lake watershed. According to the DENR/Division of Water Quality stream classification, these tributary streams are on the 303(d) list as nutrient sensitive and are a habitat for two rare aquatic species. The areas surrounding the streams are listed as priorities for protection due to their ability to help offset nutrient levels and biological impairments affecting the Falls Lake water supply. The Trust for Public Land (TPL) has identified a parcel of land off of Southview Road for watershed protection. City staff from the Departments of Parks and Recreation (DPR) and General Services (Real Estate division) and Durham County staff have negotiated the purchase of 134 acres with TPL (see attached map).

The total cost for the City for this parcel is \$743,779.00. Funding for the purchase will be from the Water and Sewer Capital Improvement Program (CIP) funds. Durham County will purchase 104 acres of the parcel from the City after the parcel is subdivided for \$200,000.00. The remaining \$543,779.00 is proposed to be reimbursed to the CIP funds from monies collected through the City's watershed protection fees. This will tie up funding from the watershed program through FY 2017.

Recommendation

The Department recommends the City Council:

1. Authorize the City Manager to execute an agreement with the Trust for Public Land for the purchase of 134 acres from Southview Developers, LLC. for Parcel ID 194086 in an amount of \$743,779.00
2. Authorize the City Manager to execute an agreement to sell Durham County 104 acres of the 134 acres for \$200,000.00.
3. Authorize a budget transfer from the Water and Sewer Capital project fund balance in the amount of \$543,779.00.

Background

The main purpose of holding the land would be to protect these sensitive stream areas within the Falls Lake watershed. According to the DENR/Division of Water Quality stream classification, these tributary streams are on the 303(d) list as nutrient sensitive and are a habitat for two rare aquatic species – the Carolina darter and the four-toed salamander. Further, the areas surrounding the streams are listed as priorities for protection due to their ability to help offset nutrient levels and biological impairments affecting the Falls Lake water

supply. Also, the Clean Water Management Trust Fund (CWMTF) has noted that the Southview property has two high-ranking riparian corridors along tributary streams of Lick Creek. These received scores of 3 and 4 out of a possible 5. As a benchmark, when considering projects for funding the UNCWI program scores corridors/projects receiving a score of 3 or greater as eligible for funding.

NCDENR lists 303(d) waters as category 5 impaired waters, and category 4 waters as having a TMDL approved by EPA:

Jordan Lake (Cape Fear R. Basin) Tributaries within Durham County

- New Hope Creek, N tributary, Category 4s
- Third Fork Creek, tributary into New Hope Creek, Category 4
- Northeast Creek, NE tributary, Category 4
- Little Creek, NNW tributary, Category 5
- Morgan Creek, Category 5

Falls Lake (Neuse R. Basin) Western Tributaries within Durham County

- Lick Creek, Category 5
- UT2 to Lick Creek, Category 5
- Little Lick Creek, Category 4s
- Ellerbe Creek, Category 5

Lake Michie (Neuse R. Basin)

- No tributary streams leading into Lake Michie on 303(d) list
- Flat River, Lake Michie discharge stream to Falls Lake, Category 5

Little River (Neuse R. Basin)

- No tributary streams leading into Little River on 303(d) list

In order to expand the City's watershed protection program the City Council approved adding \$0.01 to the water consumption rate. This was approved starting in the 2011-2012 fiscal year. The City has had a watershed protection program surrounding Lake Michie and Little River Reservoir for over 20 years. The additional funding was targeted for additional land purchasing to create watershed buffers either in the Jordan Lake or Falls Lake watersheds

Issues/Analysis

Since September of 2009, Department of Parks and Recreation (DPR) staff has been in discussion with staff from the TPL about the possibility of the City's participation in the purchase of 217 acres on Southview Road in Durham at proposed total cost of \$2.5 million. After a series of discussions among Durham County government and City department representatives staff, it was determined that the best use of City resources would be to pursue purchase of only the east side of the property – 134 acres.

The Trust for Public Land is acquiring the 134 acres from a private seller (Southview Developers, LLC.) using funding assistance that has been awarded from the State of North Carolina's CWMTF (\$500,000) and the City of Raleigh's Upper Neuse Clean Water Initiative (NCWI) program (\$300,000). The purchase price has been negotiated and the City's participation for the purchase is \$743,779.00.

Of the 134 acres (see attached map):

- 104 acres of the land would be put into a permanent conservation easement as watershed protection for Falls Lake; that portion would be held in fee simple ownership and managed by Durham County.
- The remaining property 30 acres would be held in fee simple ownership by the City and could be developed in the future jointly with the County as a park site.

Durham County will be able to reimburse the City \$200,000.00 for the land purchase. The remaining cost will be borne by the City. There is not currently funding available for the full amount of the City's participation in the land purchase from the \$0.01 watershed protection program. Funding will come from a transfer from the Water & Sewer Capital Improvement Fund. The funds will be reimbursed through the watershed protection fees over the next several years as funds are accumulated. This will tie up funding from the watershed program through FY 2017.

Alternatives

The City could choose not to participate in the land purchase. This would allow the funds from the watershed protection program to be used for other land purchases. .

Financial Impact

The purchase price has been negotiated to \$743,779.00 for this parcel. Durham County will be able to reimburse the City \$200,000.00 for the land purchase. The remaining cost will be borne by the City.

The watershed protection program has generated the following funds:

FY 2012	\$105,756.87	
FY 2013	<u>\$ 91,400.00*</u>	*projected
Total	\$197,156.77	

Since these funds are not adequate for the City's participation funding will come from a transfer from the Water & Sewer Capital Improvement Fund. The funds will be reimbursed through the watershed protection fees over the next several years as funds are accumulated. This will tie up funding from the watershed program through FY 2017.

SDBE Summary

No SDBE issues are raised by this acquisition.

Attachment: Southview-Falls Lake Partnership map